



# INTERNATIONAL EGG AND POULTRY REVIEW

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## World Poultry Meat Outlook

Global poultry meat output is expected to reach 65.4 million metric tons in 2000, slightly less than the 4 percent gain in 1999. Nearly 70 percent of the increase is expected to come from developing countries, mostly in Asia and South America. China is estimated to increase by 3 percent and Thailand by 2 percent. Economic recovery in the Republic of Korea is prompting a sharp jump in output after 1999's decline of more than 20 percent. Increased output is also expected in Indonesia, Viet Nam, and India. In Brazil, a surge in broiler breeder placements at the end of 1999 has set the stage for a nearly 4 percent increase in output, while neighboring countries around the region, such as Chile and Peru, are witnessing robust output gains as their economies recover. In Europe, the sector is witnessing an unprecedented downturn, as it struggles to recover from 1999's low prices. Production in eastern European countries is estimated up 2 percent, compared to the 5 percent averaged during the past few years, due to drought induced higher feed costs. Higher input costs faced by Russian producers will likely limit any expansion in output, despite considerable foreign investment in the sector. Low feed costs are resulting in an increase in production of 3 percent in the US and 4 percent in Canada.

Abundant supplies in 2000 and lower international prices are expected to prompt a 2 percent growth in global meat trade. Continued strong demand is expected in some countries in Asia, a region which accounts for more than 55 percent of global imports. Imports by the Russian Federation could expand slightly in 2000, due to lower chicken meat import duties, as well as a reduction in the value-added tax. Among the major poultry exporting countries of the US, Brazil, the EC and Thailand, only the EC is expected to reduce exports in 2000. EC shipments continue to be constrained by WTO subsidy limitations and competition from other suppliers. In the United States, strong output growth in 2000 is supporting a 3 percent jump in shipments, after two years of decline. Brazilian exports are set to register another sharp increase boosted by the devaluation of the Real in January 1999. Thai shipments are expected to increase, even while competing with Brazil for market share in the EC and Japan.

Source: Food and Agriculture Organization of the United Nations

## Brazilian Exports up by a Fifth

In the first seven months of this year, exports of chickenmeat from Brazil were more than 484,000 tons, up some 20% compared to almost 401,000t for last year. Shipments to Saudi Arabia were lower at 107,000t, however sales to Hong Kong rose sharply to almost 69,000t and trade with Japan increased to more than 69,000t. Exports to Argentina exceeded 28,000t. Almost 16,000t went to Yemen. The Netherlands took 19,000t, the UK purchased 13,200t, shipments to Germany rose to 13,600t while Italy bought more than 5300t. Of note, significant whole bird exports to Russia resumed in July with the shipment of more than 5300t. Whole bird exports increased by 23,000t or almost 11% but Brazil's trade in chicken portions jumped by 60,000t or 33% to almost reach 244,000t.

Source: WATTNET

## Mexico Poultry and Products

The poultry industry in Mexico is moving toward the idea of sharing markets between Mexico and the US instead of competing for the same markets. Meetings between the Mexican National Poultry Association (UNA), and US poultry producers and USAPEEC are looking to strengthen relations between these sectors. Both countries are contemplating optimum border trade and costs of production, the establishment of a strategic alliance, the opening and sharing of markets as well as integrated productive processes.

Mexican chicken meat production is forecast to increase 5 percent for 2000. Currently, six leading companies account for nearly 50 percent of total domestic production. Turkey meat production is forecast to grow 3 percent. Two large companies produce almost 90 percent of total domestic turkey production that is sold mainly as uncooked whole turkey for the Christmas season.

## NAFTA Poultry and Eggs Tariff Rate Quotas (TRQ)1999

	Original TRQ	Total Imports	% filled
Whole Turkey	2,318.53	1,415.21	61.04
Other Whole Poultry	15,070.54	2,786.49	18.49
*MDM	31,300.36	122,161.43	390.29
Turkey Parts	32,459.67	94,898.82	292.36
Poultry Cuts	28,981.83	77,102.97	266.04
Product in Metric Tons, fresh, chilled or frozen.			
*Mechanically Deboned Meat			

Thus far for 2000, import certificates for about 221,672 MT of US poultry meat have been issued (about 60 percent MDM and 40 percent turkey thigh meat). The original NAFTA TRQ for 2000 was 65,672.9 MT. Imports of MDM are forecast to continue to grow over the NAFTA quotas. Mexico's new regulations on Avian Influenza caused more paper-work problems, but did not decrease the trade.

Egg production is not forecast to increase more than 1 percent due to overproduction problems in the last two years and persistent low market prices. A few large producers dominate the domestic market for shell eggs and products. According to UNA there is a proposal to create a Mexican Egg Clearinghouse. This body will initially manage and regulate the supply of eggs in the market and will stabilize poultry product prices. The Egg Clearinghouse will be involved in quality standardization, planning, logistics and commercialization. This clearinghouse expects to begin operating by the first semester of 2001. The Mexican government continues to strengthen its global presence by negotiating market access in different parts of the world. On July 1, 2000, a Free Trade Agreement was signed between Mexico and the European Union (EU). Although fresh poultry meat was excluded from this agreement, Mexico has access to the EU market for processed egg products.

Source: USDA/Foreign Agricultural Service

**Inspected Egg Products-U.S. & Canada Export/Import Trade**  
**U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending Sep 30, 2000		Year-To-Date	
2000	1999/1	2000	1999
Liquid	191	299	5,426
Frozen	0	0	126
Dried	0	0	419
Total	191	299	5,971

**U.S. Imports From Canada, in Pounds (000) (Preliminary)**

Week Ending Sep 30, 2000		Year-To-Date	
2000	1999/1	2000	1999
Liquid	63	81	4,110
Frozen	29	5	687
Dried	11	0	712
Total	103	86	5,509

**Inspected Shell Eggs****U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending Sep 30, 2000		Year-To-Date	
2000	1999/1	2000	1999
Jumbo	78	6	1,941
Extra Large	1,363	1,490	39,062
Large	3,301	3,278	112,363
Medium	863	938	27,032
Ungraded	10,350	16,800	300,514
Misc	0	119	9,387
Total	15,955	22,631	490,299

/1 Comparable Week, to-date figures may not total due to rounding.

Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Poultry Development Division.

**CENTRAL REGION** PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. 06-OCT-00

**CHICKEN PRICES**

-----FROZEN-----		-----FRESH-----	
FAT	FOB DELIVERED	FOB DELIVERED	
CONTENT	DOCK	DOCK	
15% OR LESS			
RANGE	-	-	-
WTD AVERAGE			

0 pounds, this includes 0 pounds for export shipment.

**CHICKEN PRICES, WITH ADDED SKIN**

15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

0 pounds, this includes 0 pounds for export shipment.

\* INCLUDES THE FOLLOWING STATES: AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

**LIVE POULTRY SLTRD UNDER INSPECTION** W/E 30-Sep-00  
(PRELIMINARY)**U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,792	1,513	3,305
LAST WEEK	1,718	1,658	3,376
SAME WEEK YR AGO	1,946	1,742	3,688
TO-DATE/2000	74,862	56,365	131,227
TO-DATE/1999	82,062	54,518	136,580

**U.S. FOWL SLAUGHTERED IN CANADA**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	569	4	573
LAST WEEK	492	0	492
SAME WEEK YR AGO	390	0	390
TO-DATE/2000	18,302	295	18,597
TO-DATE/1999	18,252	204	18,456

SOURCE: AGRICULTURE CANADA, POULTRY DEVELOPMENT DIVISION

**TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	2,361	1,517	3,878
LAST WEEK	2,210	1,658	3,868
SAME WEEK YR AGO	2,336	1,742	4,078
TO-DATE/2000	93,164	56,660	149,824
TO-DATE/1999	100,314	54,722	155,036

**EASTERN REGION** PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. 06-OCT-00

**CHICKEN PRICES**

-----FROZEN-----		-----FRESH-----	
FAT	FOB DELIVERED	FOB DELIVERED	
CONTENT	DOCK	DOCK	
15% OR LESS			
RANGE	19.00	-	18.00
WTD AVERAGE	19.00		18.00

204,000 pounds, this includes 0 pounds for export shipment.

**CHICKEN PRICES, WITH ADDED SKIN**

15% OR LESS				
RANGE	16.00-16.25	-	14.50-17.00	17.00
WTD AVERAGE	16.13		16.64	17.00

968,000 pounds, this includes 248,000 pounds for export shipment.

15-20%  
RANGE 16.00-18.00 - 11.00-15.00 14.00  
WTD AVERAGE 16.68 13.17 14.00  
2,697,000 pounds, this includes 1,862,000 pounds for export shipment.  
20% OR MORE  
RANGE - - - 13.00  
WTD AVERAGE 13.00  
120,000 pounds, this includes 0 pounds for export shipment.

INCLUDES THE FOLLOWING STATES: CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

**NATIONAL YOUNG TURKEY PARTS AND BULK MEAT**

FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS

OCTOBER 06, 2000

Trade sentiment generally steady on fresh tom breast meat and fresh destrapped tenderloins, frozen tom breast meat steady to fully steady, frozen destrapped tenderloins, wing meat with skin and scapula steady to firm. White meat demand fair to sometimes good. Offerings of fresh tom breast meat and fresh destrapped tenderloins light to adequate; wing meat with skin, frozen destrapped tenderloins and scapula short of buyers' needs. Domestic trading centered on a moderate volume of fresh tom breast meat, balance light. Export inquiry light to good, mostly fair to good with most of the interest coming from Mexico and Russia. Some interest was noted from Asia, however, most buyers remain reluctant to pay current market levels. Export trading slow.

**FRIDAY, OCTOBER 06, 2000****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS		W	31.00	80	31.03	524
WINGS FULL-CUT - TOMS		R	25.00	36	26.54	156
WINGS, V-TYPE, TOM						
TAILS		R	23.00	22	23.00	22
MECHANICALLY SEPARATED 4/		R	19.19	196	19.05	336
THIGH MEAT - FROZEN		R	67.83	193	67.83	193

**THURSDAY, OCTOBER 05, 2000****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		W	31.00	80
WINGS FULL-CUT - TOMS	25.00		25.00	36
WINGS, V-TYPE, TOM				
TAILS	23.00		23.00	22
MECHANICALLY SEPARATED 4/	18.00-19.50		19.19	196
THIGH MEAT - FROZEN	67.00-68.00		67.83	193

**WEDNESDAY, OCTOBER 04, 2000****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	31.00		31.00	80
WINGS FULL-CUT - TOMS	27.00		27.00	120
WINGS, V-TYPE, TOM				
TAILS		F	23.50	280
MECHANICALLY SEPARATED 4/	20.00		20.00	40
THIGH MEAT - FROZEN		F	67.88	170

**TUESDAY, OCTOBER 03, 2000****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	31.00		31.00	20
WINGS FULL-CUT - TOMS		F	25.00	64
WINGS, V-TYPE, TOM				
TAILS		F	23.50	280
MECHANICALLY SEPARATED 4/	18.00-19.00		18.40	100
THIGH MEAT - FROZEN		F	67.88	170

**MONDAY, OCTOBER 02, 2000****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	30.00-31.50		31.04	424
WINGS FULL-CUT - TOMS		F	25.00	64
WINGS, V-TYPE, TOM				
TAILS		F	23.50	280
MECHANICALLY SEPARATED 4/		F	19.50	40
THIGH MEAT - FROZEN		F	67.88	170

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.

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